

SPENCER ROCK PRODUCTS, INC.

PO BOX 244063, ANCHORAGE, ALASKA 99524

September 5, 1997

Army Corps of Engineers
Fort Richardson Residence Office
PO Box 898
Anchorage, Alaska 99506-0898

Ref.: DACW85-96-C-0020
Homer Spit Repair & Extension
Atten: Mr. Dave Scott / Mr. Doug Wood

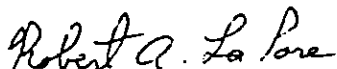
Gentlemen,

Spencer Rock Products is the rock supplier for the Homer Spit Repair and Extension Project. We have billed Nugget Construction every two weeks starting on February 1, 1997 and ending September 1, 1997. (invoice copies enclosed) All of the rock has been loaded on Nugget barges in Seward, Alaska and we are now 100% completed with the supply contract for this Project.

Total Billings have been \$1,623,892.50. We received one payment on May 8, 1997 in the amount of \$147,184.66 and draws for payroll totaling \$50,000.00. The balance owing at this time for the product delivered is \$1,426,707.84.

We have several creditors that need to be paid quickly. Some have already filed claims. Since the materials, now on the job site have not been paid for, we would appreciate no further draws be released to Nugget Construction until this matter is resolved.

Very truly yours,



Robert A. Lapore,
President, Spencer Rock, Inc.
(907) 563-1405 fax (907) 563-1458

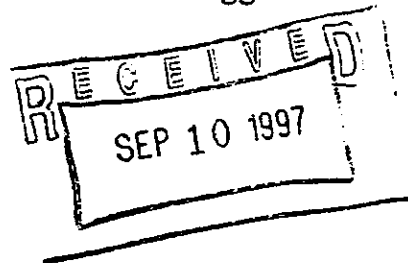


Exhibit B

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